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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92052897
Party	Defendant Galderma Laboratories, Inc.
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Submission	Motion to Dismiss - Rule 12(b)
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Attachments	RESTORADERM Motion to Dismiss.pdf (6 pages)(490447 bytes)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Thomas Sköld,	§	Cancellation No.: 92052897
Petitioner,	§	
	§	
v.	§	Mark: RESTORADERM
	§	
Galderma Laboratories, L.P.	§	
Registrant.	§	Reg. Nos.: 2,985,751 and 3,394,514

MOTION TO DISMISS PETITION FOR CANCELLATION

Registrant, Galderma Laboratories, L.P., hereby moves to dismiss the above-referenced Petition for Cancellation under Rule 12(b)(6) of the Federal Rules of Civil Procedure and Section 503 of the Trademark Trial and Appeal Board Manual of Procedure on the ground that Petitioner has failed to state a claim upon which relief can be based.

Dismissal for failure to state a claim is warranted if a petitioner's Petition for Cancellation fails to allege facts which, if proved, establish a valid ground for cancellation. *See Cineplex Odeon Corp. v. Fred Wehrenberg Circuit of Theatres, Inc.*, 56 U.S.P.Q.2d 1538, 1539 (T.T.A.B. 2000). As is shown below, even assuming all of the facts stated in the Petition for Cancellation are accurate, the Petition for Cancellation should still be dismissed.

I. Petitioner Has Not Alleged a Valid Ground for Cancellation.

As his sole ground for cancellation, Petitioner, in ¶ 4 of the Petition for Cancellation, alleges that "Registrant no longer owns the trademark RESTORADERM" (the "Mark") based on either of two alternative contract theories. This is not a valid ground for cancellation because it does not go to whether Registrant owned and had the right to register the Mark when the

applications were filed and registered. Nowhere in the Petition for Cancellation does Petitioner allege that the registrations were improperly filed or registered.

An acceptable ground for cancellation of a registration "must be a statutory ground which negates the appellant's right to the subject mark." *Carano v. Vina Concha Y Toro S.A.*, 67 U.S.P.Q.2d 1149, 1151 (T.T.A.B. 2003) (internal citations omitted). Such grounds generally fall into one of two categories: (1) any ground that would have negated an applicant's right to register a mark in the first instance or (2) one of the statutorily enumerated grounds identified at 15 U.S.C. § 1064. *See* 3 J. Thomas McCarthy, *McCarthy On Trademarks & Unfair Competition* § 20:52 (4th ed. 2010). Since none of the grounds identified in section 1064[1] are implicated in the Petition, Petitioner's alleged ground that Registrant "no longer owns" the Mark must fall into the first category, that is, as a ground that would have negated Registrant's right to register the mark in the first place.

The Trademark Trial and Appeal Board Manual of Procedure (T.B.M.P.) includes a list of examples of valid grounds for oppositions and cancellations, and the lack of ownership ground is articulated in that list as follows: "That defendant is not (and was not, at the time of filing of its application for registration) the rightful owner of the registered mark." T.B.M.P. § 309.03(c)(8) (emphasis added). The lack of ownership of a trademark following registration is not a valid cancellation ground.

In this case, Petitioner's alleged ground is not that Registrant did not own the Mark when Registrant's predecessor in interest filed the applications to register the Mark, nor that the registrations should not have issued, but only that, at some point since the registrations issued, Registrant ceased being the owner of the Mark. Registrant respectfully submits that Petitioner's

[1] Section 1064 relates generally to genericness, abandonment, functionality, registrations fraudulently obtained, trademark misuse, and certification mark misuse.

alleged ground for cancellation, even assuming his asserted facts were true, is not a valid ground upon which Registrant's trademark registrations may be canceled.

II. The Allegations Made in Petitioner's First Contract Theory Are Inconsistent and Do Not Support the Ground Alleged.

In adjudicating a Motion to Dismiss for failure to state a claim, the Board will generally assume that the facts as stated in the Petition are true, but, in this case, that is not possible because Petitioner's first contract theory is internally contradictory, thus they are not "well-pleaded allegations." Under Petitioner's "First Contract Theory," Petitioner alleges that he licensed the trademark RESTORADERM to Registrant's predecessor in interest in a February 11, 2002 agreement. *See* Petition for Cancellation ¶ 6. Registrant's predecessor in interest filed its first application to register the Mark shortly thereafter on February 28, 2002. Yet, the agreement cited by the Petitioner states unequivocally that Registrant's predecessor in interest was the owner of the trademark and not a mere licensee, and that it was the correct entity to file the applications:

> All trade marks applied for or registered (**inc1uding "Restoraderm"**) shall be in the sole name of CollaGenex [Registrant's predecessor in interest] and be the **exclusive property** of CollaGenex during the Term **and thereafter** ("the Trade Marks").

See Petition for Cancellation, Exhibit 2 at ¶ 4.2.1 (emphasis added). By this provision, Petitioner agreed that the trademark RESTORADERM would be owned by Registrant's predecessor in interest during the term of the agreement and even after the term of the agreement, and that Registrant's predecessor in interest was the correct party to apply for the registrations. Thus, Petitioner's own evidence supports that the registrations were validly filed and obtained, and forecloses Petitioner's theory that Registrant was merely a licensee of the Mark.

III. Petitioner's Second Contract Theory As Stated Is a Breach of Contract Claim Over Which This Board Does Not Have Jurisdiction.

Petitioner's second contract theory is actually a breach of contract claim rather than a ground for cancellation. The Board does not have jurisdiction to consider breach of contract claims because an alleged breach of contract is not a ground for cancellation. *See M-5 Steel Mfg., Inc. O'Hagin's Inc.*, 61 U.S.P.Q.2d 1086, 1095 (T.T.A.B. 2001).

Petitioner alleges that in an August 19, 2004 agreement, Petitioner transferred certain intellectual property to Registrant—including the trademark RESTORADERM. See Petition for Cancellation at ¶¶ 16-17 and Exhibit 3. The agreement states that Registrant "shall transfer" certain intellectual property rights back to Petitioner if Registrant voluntarily terminates the agreement (although the definition for what was included in such "Intellectual Property" only included patent rights and know-how, but not any trademark rights). *See* Petition for Cancellation, Exhibit 3 at ¶ 8.5(b)(iii). Petitioner further alleges that Registrant terminated the agreement and, that based on this provision, Registrant is required to transfer the Mark to Petitioner but has failed to do so. *See* Petition for Cancellation at ¶ 18.

Petitioner, therefore, does not allege that the registrations were not validly filed or registered but that Registrant was later supposed to have assigned the Mark to Petitioner. Registrant will easily be able to prove that the agreement did not pertain to the Mark. But, even assuming that Petitioner's facts are true, Petitioner's claim is apparently that Registrant breached ¶ 8.5(b)(iii) of the agreement by not assigning ownership of the trademark to Petitioner, and since Registrant has not assigned the trademark, the Board should do it for Registrant. However, the Petitioner acknowledges in ¶ 20 of the Petition for Cancellation that the Board has no power to order the transfer of the registrations. Even if Petitioner's allegations were true, this is not a

ground for cancellation. Because this theory of the Petition also does not state a claim for which the Board may grant relief, the Board should dismiss the Petition for Cancellation.

IV. Conclusion.

Petitioner has failed to state a claim upon which relief may be based. The ground that Petitioner has relied on, that Registrant "no longer owns" the Mark, is not a valid ground for cancellation. Even if this were a valid ground, Petitioner's factual allegations do not support the ground alleged. Further, Petitioner's alternate, second contract theory is nothing more than a breach of contract claim which is also not a ground for cancellation and which the Board does not have the authority to consider. Registrant, therefore, respectfully requests that this Motion be granted and the Petition for Cancellation be dismissed with prejudice.

Respectfully submitted,

Date: September 24, 2010

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 24 day of September, 2010, the foregoing *Motion to Dismiss Petition for Cancellation* was served on Petitioner's counsel of record, via first-class mail to the following:

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